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April 2, 2010

Ms. Nancy Sutley  
Chair, Council on Environmental Quality  
722 Jackson Place NW  
Washington DC 20503

Re: Steps to Modernize and Reinvigorate NEPA  
Proposed Guidance, "Establishing and Applying Categorical Exclusions under  
The National Environmental Policy Act" (February 18, 2010)

Dear Ms. Sutley:

The American Petroleum Institute (API) is pleased to have this opportunity to comment on the above-captioned proposed guidance document prepared by the Council on Environmental Quality (CEQ). API represents more than 400 companies that are involved in all aspects of the oil and natural gas industry, including exploration and production activities that provide the oil and natural gas that are essential to America's energy security and economic growth.

API supports modernization of National Environmental Policy Act (NEPA) implementation. We support CEQ's encouragement to agencies to establish and use Categorical Exclusions (CEs) to eliminate unnecessary paperwork and effort, and to focus agency environmental review efforts on project proposals that warrant more detailed analysis and the preparation of an Environmental Assessment (EA) or Environmental Impact Statement (EIS). Decisions made by federal agencies are vital to our industry's ability to meet future US demand for clean-burning natural gas and oil. As CEQ's February 18, 2010 memorandum states, CE's should serve as an "integral part" of an agency's NEPA tool box to be used where appropriate in the course of sound and practical exercise of NEPA responsibilities.

CEs are important to API and its members because NEPA comes into play at many stages in the search for, and development and transportation of, energy supplies. While energy should be used in a responsible manner, it is important to address the supply side by providing greater access to federal lands both onshore and offshore. A key component of the access equation is the removal of inappropriate procedural impediments to domestic resource development. Inefficiencies in the NEPA process have had the effect of putting significant volumes of these vital resources off limits, or have raised the cost and/or uncertainty of some energy projects to such a degree that companies have had to withdraw proposals, or have had to place them on the shelf for an indefinite period of time.

In our comments to the proposed guidance CEQ issued September 14, 2006, API made recommendations, shown in *italics* below, that the final guidance document will be more useful to agency decision makers and the public if the document: